



## INSURANCE FRAUD INVESTIGATION DIVISION

Kentucky Department of Insurance

909 Leawood Drive, P. O. Box 4050, Frankfort, KY 40604-4050

Phone 502-564-1461 – FAX 502-564-1464

*Fraud Statistics/Convictions Activity*

*January 2011*

### Fraud Statistics

	<u>Month/Jan</u>	<u>YTD</u>
Total Referrals Received.....	87	87
Closed Referrals.....	4	4
Open Cases (Investigations-includes prior years)		188
Assigned Cases (Investigations).....	3	3
Closed Cases (Investigations).....	6	6
Closed Cases (Investigations) Exceptionally Cleared – Declined by Prosecutor.....	1	1
Charges (4 felony, 1 misdemeanor).....	5	5
Convictions (2 felony, 1 misdemeanor) .....	3	3
Restitution Ordered..... \$	11,003.58	11,003.58
Restitution Agreed.....\$	39,207.30	39,207.30
Investigation Expenses to Division		
Awarded..... \$	2,898.75	2,898.75
Collected..... \$	2,888.78	2,888.78
Administrative subpoenas issued.....	1	1
Non-licensed individuals.....	0	0
Licensed (active/inactive individuals)....	1	1
Subpoenas Received.....	4	4

## **Convictions Activity**

Mark Creech – In July 2009, Creech presented an altered document to Roberts Construction as proof of workers' compensation insurance coverage, knowing the document was not valid since he did not have workers' compensation insurance coverage as required by law for the period of time the document reflected. Creech was charged with one felony count of fraudulent insurance acts. He pleaded guilty to an amended misdemeanor charge of fraudulent insurance acts and was sentenced to 180 days, probated for 24 months. Creech was fined \$250 plus court costs, and was ordered to pay \$798.75 in investigation expenses to the Insurance Fraud Investigation Division. Probation was ordered to be supervised until investigation expenses are paid in full. A review of restitution payment is scheduled for April 18, 2011.

James M. Harris – Between March 12, 2006, and December 8, 2006, Harris submitted a claim for theft of personal property to State Farm Insurance. He submitted invoices as documentation that he claimed verified the purchase of the personal property that was reported as stolen. Information provided by Century Entertainment, where Harris claimed to have purchased these items, proved that the invoices were not for purchased items but were estimates. The manager of Century Entertainment further confirmed that the items Harris claimed to have purchased at Century Entertainment were never purchased by him. Harris was indicted on one felony count of fraudulent insurance acts. He pleaded guilty to the charge and was placed on probation under the supervision of the Division of Probation and Parole for five years, subject to the conditions ordered in the final judgment and conviction. He was ordered to pay court costs in the amount of \$130, a supervision fee of \$20 per month while on probation, a felony fine of \$1,000, restitution to State Farm in the amount of \$7,887.99, and \$1,600 to the Insurance Fraud Investigation Division for investigation expenses.

William Parks – On May 25, 2007, Parks was involved in an automobile accident. He filed a claim with Shelter Insurance on his collision coverage for damages to his vehicle. Shelter issued a draft to Parks in the amount of \$3,115.59. Shelter then submitted a subrogation demand with State Auto Insurance. After several attempts by Shelter to collect the money, they were advised by State Auto that they had also issued a draft in the amount of \$4,643.41 to Parks for the damages to his vehicle, which occurred as a result of the May 25, 2007, auto accident. Both drafts were executed and deposited by Parks. Attempts to contact Parks by Shelter failed and Parks was indicted for one felony count of theft by failure to

make required disposition of property over \$300. He pleaded guilty to the charge and was sentenced to three years conditionally discharged if full restitution in the amount of \$3,115.59 was paid up front. Restitution was paid in full to Shelter Insurance Company.